

Lebanon Board of Finance
Minutes of September 18, 2012

Regular Meeting

Members present: Liz Charron, Chairman, Glen Coutu, Vice Chairman, Donald Anderson, Greg Lafontaine, Betsy Petrie, and David Scata

Alternates present: Diane Malozzi

Also present

Selectmen: Joyce Okonuk, Linda Finelli, John Bendoritis

Veronica Calvert, Finance Office, Phil Chester, Town Planner, Resident Trooper Southworth

Item A. Call to Order

The meeting was called to order at 7:02 p.m. by L. Charron.

Item B. Review and Consider Accepting Minutes of previous Meetings

Glen Coutu made a motion to accept the minutes of September 4, 2012 Special Meeting. Seconded by Donald Anderson. Motion passed unanimously.

Item C. Correspondence

A letter had been received from the Town Treasurer regarding maturity of a bond within one of the portfolio brokerage accounts managed via Merrill Lynch. The Treasurer worked with the financial advisor on the account and bonds could not be purchased that produced similar returns. Stocks were purchased that produced dividends.

The Investment Policy subcommittee will review procedures for future.

Item D Monthly Expenditures

TOWN

Veronica Calvert distributed the monthly Expenditure Report as of 8/31/12. Account 408 needs to be researched. Account 403 typo needs to be corrected. Account 430 note needs to include information as to why there is an authorized over expenditure for Clark Road.

Revenue

List of YTD Revenues for FY 2013 as of 8/31/12 was distributed. TIP Report as of 8/31/12 was distributed. List of transfers for FY 2011-2012 was distributed. Betsy Petrie noted that enrollment may be down this year in one of the grades and wondered if the Board of Education will be updating the Board of Finance. Liz Charron reported that the Board of Education usually reports their first quarter financials in October, she will request them to also report on enrollment numbers.

Item E Subcommittee updates:**1. Capital:**

Glen Coutu reported that they had met earlier this evening. Recommendation to Board of Finance for borrowing and bonding and lease purchase was discussed. Connecticut statutes have been researched. Surrounding towns have been contacted, and also CCM. Consensus was to obtain an opinion from an independent third party regarding response from Bond Counsel and fees associated with legal and Bond Counsel review. Town Auditor has also been contacted.

2. Board of Finance Policies and Procedures:

Gregg Lafontaine reported that they had met earlier this evening also. Organizational structure was discussed. Previous minutes have been researched. May have a draft document for a future Board of Finance review.

3. Investment

Liz Charron reported that the Investment Subcommittee have not met as of yet. Previous chair of the subcommittee has been contacted and has provided notes and a draft of investment policy.

Item F New Business:**1. Resident Trooper request**

Resident State Trooper Southworth requested that \$10,000.00 be restored to Police Services FY 2013, Department 420. Liz Charron explained the reasoning for reducing this budget item this fiscal year was because funds have been returned each year and it is our understanding that the his current compensation packages is lower than our previous state trooper. Trooper Southworth noted that constables have been reduced from 4 to 3. One constable was at training for 6 months. One constable was limited in hours due to other employment. Ticket revenue is received from every ticket issued in town which was \$2,145.00 last year. A new vehicle has been purchased which needs to be maintained. David Scata asked where the shortfalls are. Trooper Southworth does not know what some of the day to day expenses will be. New guns will have to be purchased this year. Liz Charron requested what the salary information will be for this year. Estimates will be received from the State for salary and benefits for resident trooper. More information is needed before Board of Finance can make a decision. Betsy Petrie inquired how many hours did each of the officers patrol in each of the last three years, what is average budget was built around, what were the hours on patrol duty last year. In previous fiscal years funds were returned from budgeted appropriation. Previously the Resident State Trooper budget and Constable budget were separate, and several years ago the BOF joined the accounts and called it Police Services. Veronica will provide additional information. Private duty payment was discussed for events at the Fairgrounds. What type of employees are the constables was questioned by Betsy Petrie. They are hourly paid Town employees. They do not receive overtime from the Town. The Lions Club was billed for hours worked at the Lebanon Fair. Constables are used to supplement State Trooper coverage. Calls for service for the last 2 months was discussed. There have been 851 calls for service. 309 tickets were issued, 107 warnings. This information was requested to be posted on the website. Updated service call information will be provided to the Board of Selectmen and Board of Finance.

2. USDA Resource Conservation Service Grant

\$135,500.00 has been received. Phil Chester distributed information regarding Anderson property. Donation of \$15,000.00 has been received from Joshua's Trust for this project. There may be upcoming projects.

Gregg Lafontaine made a motion to Request the Board of Selectmen to call a Special Town Meeting for the purposes of accepting and expending a USDA Resource Conservation Service Grant in the amount of \$135,500.00 and releasing \$50,000.00 from the Capital Reserve Account for the purpose of preserving a 162 acre property located at 185 Randall Road owned by the Anderson family. Motion was seconded by David Scata. Donald Anderson inquired what is a future building envelope. This is a house lot. The Anderson family maintains the existing home on the property. Motion carried unanimously.

3. Proposed changes to Planning & Zoning fees:

Phil Chester distributed proposed increases in land use fees. This information will be added to Special Town Meeting. These fees have not been updated since 1998.

4. WPCA sewer project bond anticipation notes:

Dave Martin reported that funds borrowed from Fund Balance have been returned to the Town. Anticipate that in November will reach 5.1 million in expenditures so that access to USDA funding can be acquired. A 2nd BAN estimate was distributed. Short term borrowing for 6 months at 1%. Also can get access to 1.5 million grant. Total is 6.55 million. Additional costs of \$31,587.00. The bond sale is this Thursday. This is still within the amount approved at Town Referendum. Paving will be going out to bid soon. Anticipate to start paving in October. Dave thanked Veronica for her help.

5. Moody rating

Moody's downgraded the bond rating of the Town to non-rated several years ago because we have no publically traded outstanding securities. To obtain a Moody's rating we need to have publically traded outstanding securities.

6. First Selectman request for additional \$4,800.00 for animal control budget:

Veronica Calvert reported that the starting point for this year's budget was approximately \$19,000.00. Approximately \$24,000.00 should have been used. Invoice from the town of Sprague has been received. Gregg Lafontaine inquired how does this compare to last year's actual. Discussion and comparison to previous years. Dog license fees and rental income goes into this fund. Lebanon's shared dues per capita was \$19,726.46 in 2011-2012. There have been legal fees and maintenance of a van.

David Scata made a motion to authorize an over expenditure of \$4,800.00 in the Lebanon Dog Fund aka Animal Control Fund. Motion was seconded by Greg Lafontaine. Motion passed unanimously. This will be noted on the monthly expenditure report.

7. Authorizing lease purchase or loan agreement for Public Works equipment and vehicles:

Total of \$180,000.00 is needed to either lease purchase or enter into a loan agreement to purchase a pay loader and two trucks for Public Works. Discussion of Bond Counsel information. Greg Lafontaine discussed the possibility of borrowing some funds from Fund Balance and repaying it annually. Discussion of Fund Balance guidelines. This way of funding would enable us to set interest rate. Betsy

Petrie has contacted surrounding towns regarding funding possibilities for this equipment. This is a new process for our town. It was suggested to discuss with Town Auditor. Discussion of possibility of enacting an ordinance. Joyce Okonuk has contacted CCM regarding this issue. Other towns grow Fund Balance through taxes. Glen Coutu suggested moving forward with lease purchase option, discuss at Town Meeting and competitively bid for interest rate. Betsy Petrie has contacted surrounding towns that post an RFP/RFQ for leasing purchases.

Betsy Petrie made the following resolution; Resolved, that the Board of Finance recommends that the Town of Lebanon enter into a lease-purchase agreement in a principal amount up to \$181,000.00 to finance costs related to the acquisition of two trucks and a front end loader, and related equipment, for use by the Town of Lebanon Public Works Department; and authorize the First Selectman to determine the lease purchase financing provider, to accept and determine the amount, date, interest rate, term and other details of the financing under the lease purchase agreement, and to take other actions as may necessary or expedient in connection with the fulfillment of the provisions of the lease purchase agreement and related transactions; and to authorize the First Selectman and other proper officers and officials of the Town to take all other action and to enter into any other agreements which are necessary or desirable to complete the project and to finance the project through the lease purchase agreement. Resolution was seconded by Glen Coutu.

Terms of lease purchase agreement were discussed. Resolution passed unanimously.

Glen Coutu made a motion to request the Board of Selectmen to call a Special Town Meeting for the purposes of entering into a lease purchase agreement in a principal amount not to exceed \$181,000.00, to finance costs related to the acquisition of two trucks and front end loader and related equipment. Motion was seconded by David Scata. Motion passed unanimously.

Betsy Petrie noted that we need to establish policies for future leasing arrangements, and that we should go out to bid on leasing arrangements.

8. Board of Selectmen's definition of types of expenditures for emergency vs. non-emergency activities.

Expenditure Approval Protocol was distributed. Different levels of funding and level of approval was discussed. It was suggested to change event duration time. See attachment.

Glen Coutu made a motion to approve the expenditure approval protocol for Emergency Management Funds as presented by the Board of Selectmen. David Scata seconded the motion. Motion passed unanimously.

9. Deposit of CIRMA insurance check received for backhoe fire at Transfer Station:

A check has been received for \$10,745.91. The auditor suggested different options for deposit depending on if the equipment was repaired or replaced. Backhoe will be repaired.

Greg Lafontaine made a motion that the CIRMA check in the amount of \$10,745.91 deposited into the Public Works Account 430 for the purposes of repair of the fire damaged backhoe that was damaged on 8/10/12. Motion was seconded by Donald Anderson. Motion passed unanimously.

10. Bank of America analysis:

Veronica Calvert discussed Bank of America service charges and earnings which continue to increase. The costs have to do with the transferring of cash between accounts. Veronica will research other local banks for better service and less fees and working with the Board of Education will discuss options and make recommendations.

11. Update on town policies and procedures manual:

Veronica has been working on updating the manual in consultation with the Town Auditor. Board of Finance will review and approve any updates for Finance Office as well as the Board of Selectman.

G. Adjourn

Motion to adjourn was made by Donald Anderson. Motion was seconded by Betsy Petrie. Motion passed unanimously. Meeting adjourned at 9:23 p.m.

Respectfully Submitted,

Kathleen E. Chapman

Board of Finance Clerk